Concessions sought by coffee growers of Karnataka

1525. SHRI JANARDHANA POOJARY: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether coffee growers in Karnataka have submitted a Memorandum seeking certain concessions and relief;

(b) if so, the details thereof; and

(c) Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVAN): (a) to (c) Some coffee growers of Karnataka have from time to time made various requests for concessions and reliefs. Government have provided certain reliefs and assistance through a "coffee package", details of which are as follows:

(i) equals sharing of total interest burden estimated to be Rs. 287.10 crore on Special Coffee Term Loan (SCTL) during the three year moratorium period amongst the banks, the Government and the grower loanees to the extent of one third each (ii) requested the banks to lower the interests rates charged on SCTL from existing 11% to 9% or rate applicable to agriculture sector whichever is lower, during the remaining repayment period of SCTL loans (iii) writing off of coffee developmental loans along with interest amounting to around Rs. 24 crore, due from the Coffee Board to the Government of India — the Coffee Board will in turn waive the old developmental loans amounting to around Rs. 64.59 crore extended by the Board to the coffee growers having holdings below 10 hectares only and (iv) also continuing the interest subsidy scheme on working capital loans for small growers (below 10 ha) at the rate of 5% and large growers at the rate of 3% for the remaining years of the Tenth Plan.

The interest subsidy would be reduced by 1% for a period of 3 years in the case of those growers who receive the benefit of reduced interest burden on SCTL during the moratorium period. The package will reduce the debt burden of a large number of coffee growers.

Recently, the Karnataka Growers Federation (KGF) have asked for certain further concessions mainly in the context of the above coffee package.